



CITY OF EUREKA

Mills Act Historic Property Tax Incentive Program

APPLICATION

Application Requirements

How to apply

To begin the process, the Property owner(s) or an authorized representative files a Mills Act Historic Property Contract Application with the Community Development Department of the City of Eureka. The application must be received on or before the application submittal deadline date; incomplete or inaccurate applications will be returned to the property owner. Assistance in preparing the application may require the use of a qualified professional consultant.

The basic application consists of the following forms and submittal requirements:

1. APPLICATION FORM
2. APPLICATION SUPPLEMENTAL FORM #1, Notary Acknowledgment of the property owner's signature authorizing the filing of the application
3. APPLICATION SUPPLEMENTAL FORM #2, Priority Consideration Worksheet
4. APPLICATION SUPPLEMENTAL FORM #3, "Schedule and Plan for Maintenance and Treatment of the Historic Property" including a cost estimate for the work to be done and information to substantiate the cost estimates
5. APPLICATION SUPPLEMENTAL FORM #4, Property Tax Adjustment Worksheet
6. Copy of the current deed for the property, including the legal description
7. Site plan (drawn to scale)

8. Black and white photo documentation of interior and exterior of property (3x5 format), The exterior photographs must show all elevations (sides) of the structure(s) and all photographs must be labeled with address and detailed description of the photo content.
9. One black and white glossy photograph of the front façade of the building (8x10 format)
10. Copy of most recent property tax bill
11. If the property is not currently listed on the City of Eureka's Local Register of Historic Places, a complete application for inclusion on the Local Register of Historic Places, including any application fees must be submitted with the Mills Act Historic Property Contract application

Review Process

A request for a Mills Act Contract begins with submittal of a complete application to the City of Eureka Community Development Department. All applications are reviewed by a Selection Committee appointed by the Mayor with the approval of the City Council. The Selection Committee will review each application and determine whether it meets the requirements for a qualified historic property. The Selection Committee will then evaluate the application against a set of priority criteria and give it a ranking. If necessary, the top ranked applications will be put into a 'lottery' to determine which applications will be forwarded to the Historic Preservation Commission for their consideration and recommendation.

At a noticed public hearing, the Historic Preservation Commission will review, consider and take action on each application's "Schedule and Plan for Maintenance and Treatment of the Historic Property". The Historic Preservation Commission will then forward to the City Council their actions and recommendations on each of the Mills Act Contract applications. If the property is located in the Redevelopment Area, the Mills Act Contract application will also be forwarded to the Redevelopment Advisory Board for their recommendations to the City Council.

The City Council at a public meeting will receive the recommendations of the Historic Preservation Commission and, if applicable, the Redevelopment Advisory Board. The Council will also receive public testimony on the proposed application(s); they will then determine whether or not the City should enter into a Mills Act Historic Property Contract with the property owner. If the Council determines that a Contract is appropriate, they will adopt a Resolution authorizing the City Manager to enter into the Contract with the property owner. Once the Mills Act Historic Property Contract is executed by all parties, the City will record it with the Humboldt

County Recorder. The property owner will be responsible for payment of applicable recording fees.

After the Mills Act Historic Property Contract has been recorded, a copy of the recorded document is forwarded to the Humboldt County Assessor, who will then recalculate the property taxes according to the Mills Act statutes. A copy of the recorded contract is also forwarded to the State Office of Historic Preservation.

Selection Criteria

The Selection Committee will evaluate each contract application using the following criteria to rank and prioritize the applications:

- ☒ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will result in the greatest number or value of improvements to the historic property thereby resulting in the greatest benefit to the public.
- ☒ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will substantially reduce the threat to the historic property of demolition, deterioration, abandonment, and/or general neglect.
- ☒ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will create or maintain affordable housing.
- ☒ A higher ranking will be given to those applications that demonstrate, in cases of economic hardship, that entering into a Mills Act Historic Property Contract will result in the preservation and maintenance of a historic property.
- ☒ A higher ranking will be given to those applications that demonstrate the highest percentage of the tax savings being used to finance the property maintenance and improvements.

Annual Reports

Each property owner of a property subject to a Mills Act Historic Property Contract will be required to submit to the City an annual report which documents how the property owner is satisfying the terms and provisions of their individual Contract. An annual monitoring fee established by the City Council may be required to be submitted with the annual report.

Community Development Department, 531 "K" Street, Eureka, CA 95501, (707) 441-4160

Please complete the information below and attach supplemental information as required. A site plan and supplemental information, and the applicable application fee as shown on the back of this application form must accompany all applications. If you have questions regarding this application form, the application process, or general planning questions, please do not hesitate to contact the Community Development Department at the address and phone number shown above. Office hours are Monday - Friday, 8 a.m. - noon and 1 p.m. - 5 p.m. *(Please note we are closed during the lunch hour).*

APPLICANT/OWNER/AGENT

Applicant's Name*: _____

Mailing Address: _____ City: _____ ST: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

Owner of Property - Name (if not applicant)*: _____

Mailing Address: _____ City: _____ ST: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

** If there is more than one applicant or owner, please list all on an attached sheet*

Agent's Name (if different than Applicant):** _____

Mailing Address: _____ City: _____ ST: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

***Questions/correspondence will be directed to the Agent*

PROJECT LOCATION

⁽¹⁾ Street/Site Address: _____ Assessor's Parcel Number(s): _____

⁽²⁾ Street/Site Address: _____ Assessor's Parcel Number(s): _____

PROJECT DESCRIPTION

(Please provide a project description, attach additional sheets as necessary):

OWNER'S AUTHORIZATION

I hereby authorize the City of Eureka to process this application, and I authorize the City of Eureka and the Department of Fish and Game to enter upon the property described herein as reasonably necessary to evaluate the project. I have completed, or reviewed this application and any "Supplement to Application" forms and know that the contents thereof are true and accurate to my own knowledge and I assume all responsibility for their accuracy.

⁽¹⁾ Property Owner's Signature*: _____ Date: _____

⁽²⁾ Property Owner's Signature*: _____ Date: _____

**If more than one property or property owner is involved, please include owner's authorization for all additional properties*

STAFF USE

Assigned Case No.s: _____

Zone Designation: _____

Assigned Planner: _____

General Plan Designation: _____



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APPLICATION Submittal Checklist

Please use this check-list to ensure that all of the following items have been completed before you submit your application for a Mills Act Historic Property Contract.

- ☐ APPLICATION FORM
- ☐ APPLICATION SUPPLEMENTAL FORM #1, Notary Acknowledgment of the property owner's signature authorizing the filing of the application
- ☐ APPLICATION SUPPLEMENTAL FORM #2, Priority Consideration Worksheet
- ☐ APPLICATION SUPPLEMENTAL FORM #3, "Schedule and Plan for Maintenance and Treatment of the Historic Property" including a cost estimate for the work to be done and information to substantiate the cost estimates
- ☐ APPLICATION SUPPLEMENTAL FORM #4, Property Tax Adjustment Worksheet
- ☐ Copy of the current deed for the property, including the legal description
- ☐ Site plan (drawn to scale)
- ☐ Black and white photo documentation of interior and exterior of property (3x5 format), The exterior photographs must show all elevations (sides) of the structure(s) and all photographs must be labeled with address and detailed description of the photo content.
- ☐ One black and white glossy photograph of the front façade of the building (8x10 format)
- ☐ Copy of most recent property tax bill
- ☐ If the property is not currently listed on the City of Eureka's Local Register of Historic Places, a complete application for inclusion on the Local Register of Historic Places, including application fees must be submitted with the Mills Act Historic Property Contract application



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APPLICATION SUPPLEMENTAL FORM #1 Notary Acknowledgment

I/we am/are the owner(s) of the property and/or the lien holders of the property described below and I/we authorize the City of Eureka to process the attached application for a Mills Act Historic Property Contract. I/we have completed or reviewed the application and all attachments and know that the contents thereof are true and accurate to my/our own knowledge and I/we assume all responsibility for their accuracy. *attach additional sheets as necessary*

Property Assessor Parcel Number(s): _____

Property Street Address: _____

Property Owner Name: _____

Property Owner Signature: _____

Lien Holder Institution Name: _____

Lien Holder Authorized Signature: _____

Please note that all owners of property must sign, including any mortgage or lending institution or other party having interest in the property.

STATE OF CALIFORNIA }
COUNTY OF HUMBOLDT } ss.

On, _____, before me, _____, Notary
DATE NAME, TITLE OF OFFICER

Public, personally appeared, _____,
NAME(S) OF SIGNER(S)

personally known to me/proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____



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APPLICATION SUPPLEMENTAL FORM #2

Priority Consideration Worksheet

The following five criteria are used by the Mills Act Historic Property Contract Selection Committee to evaluate each contract application and to prioritize and rank them. Please use this form to explain why or how your property should be considered a priority, attach additional sheet(s) if needed; or you may use an alternate format provided it responds to the five criteria listed below.

- ☐ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will result in the greatest number or value of improvements to the historic property thereby resulting in the greatest benefit to the public.

Explain what improvements are proposed for the property and how you believe that completing those improvements will be a public benefit: _____

- ☐ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will substantially reduce the threat to the historic property of demolition, deterioration, abandonment, and/or general neglect.

Explain the physical state of the property and how you believe the proposed improvements will prevent the demolition, deterioration, abandonment and general neglect of the property: _____

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- ☐ A higher ranking will be given to those applications that demonstrate that entering into a Mills Act Historic Property Contract will create or maintain affordable housing.

Explain how you believe entering into a Mills Act Contract will create or maintain affordable housing; and how you propose to maintain the affordable housing into the future: _____

- ☐ A higher ranking will be given to those applications that demonstrate, in cases of economic hardship, that entering into a Mills Act Historic Property Contract will result in the preservation and maintenance of a historic property.

Explain how you believe you have, or qualify as having, an economic hardship: _____

- ☐ A higher ranking will be given to those applications that demonstrate the highest percentage of the tax savings being used to finance the property maintenance and improvements.

Describe what percentage of the estimated tax savings you intend to reinvest into the property to finance the improvements: _____



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APPLICATION SUPPLEMENTAL FORM #3

Proposed Schedule and Plan for Maintenance and Treatment of the Historic Property

Please list the proposed work to be done, the year(s) in which the work will be commenced and completed, the type of work (maintenance, rehabilitation, new construction, etc.), and the estimated cost of the work. Also, please attach information to substantiate the cost estimates. You may use any format convenient to you, provided the necessary information is included. Attach as many sheets as necessary.

	Work Task	Type of Work	Year Commenced	Year Completed	Estimated Cost
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					



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APPLICATION SUPPLEMENTAL FORM #4 Property Tax Adjustment Worksheet

Below is a simplified process for obtaining the estimated Mills Act Historic Property tax savings. Please be aware that the assessed value you determine here is an estimate only and will not necessarily be the value determined by the Assessor. The Assessor assesses the property annually using values that will likely change from year to year; therefore, the assessed property taxes may change from year to year.

		<i>Instructions</i>	<i>Value</i>	<i>Notes</i>
ANNUAL PROPERTY INCOME				
Line 1	Monthly Rental Income		\$ _____	<i>Even if the property is owner-occupied, an estimated monthly rental income is needed as a basis for this worksheet.</i>
Line 2	Annual Rental Income	<i>Multiply Line 1 by 12 (months)</i>	\$ _____	

ANNUAL OPERATING INCOME				
<i>Do not include mortgage payments or property taxes. Provide back-up documentation where applicable.</i>				
Line 3	Management		\$ _____	<i>Where applicable, include expense of on-site manager's unit and 5% off-site management fee; and describe other management costs.</i>
Line 4	Insurance		\$ _____	<i>Fire, Liability, etc.</i>
Line 5	Utilities		\$ _____	<i>Water, Gas, Electric</i>

		<i>Instructions</i>	<i>Value</i>	<i>Notes</i>
Line 6	Maintenance		\$ _____	Maintenance includes: painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, and structural repairs. All costs should be recurring annually.
Line 7	Other Operating Expenses		\$ _____	Security, services, etc.
Line 8	Total Expenses	Add lines 3 through 7	\$ _____	

NET OPERATING INCOME

Line 9	Net Total	Line 2 minus Line 8	\$ _____	
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CAPITALIZATION RATE

Line 10	Interest Rate	6.0% (for year 2005)	6.0 %	As determined by the State Board of Equalization for the specified year.
Line 11	Risk Rate	Owner occupied one-family home = 4% All other property = 2%	_____ %	
Line 12	Property Tax Rate	1%	1 %	
Line 13	Depreciation Rate	3.3%	3.3 %	
Line 14	Total Capitalization Rate	Add lines 10 through 13	_____ %	

NEW ASSESSED VALUE

Line 15	Mills Act Assessed Value	Line 9 divided by Line 14	\$ _____	
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NEW TAX ASSESSMENT

Line 16	Current Tax		\$ _____	General tax levy only - do not include voted indebtedness or direct assessments
Line 17	Tax Under Mills Act	Line 15 times .01 (1%)	\$ _____	
Line 18	Estimated Tax Reduction	Line 16 minus Line 17	\$ _____	